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The Manufacturers Hanover Financial Digest

Weekly Commentary, Selected Financial Data, and Business Indicators

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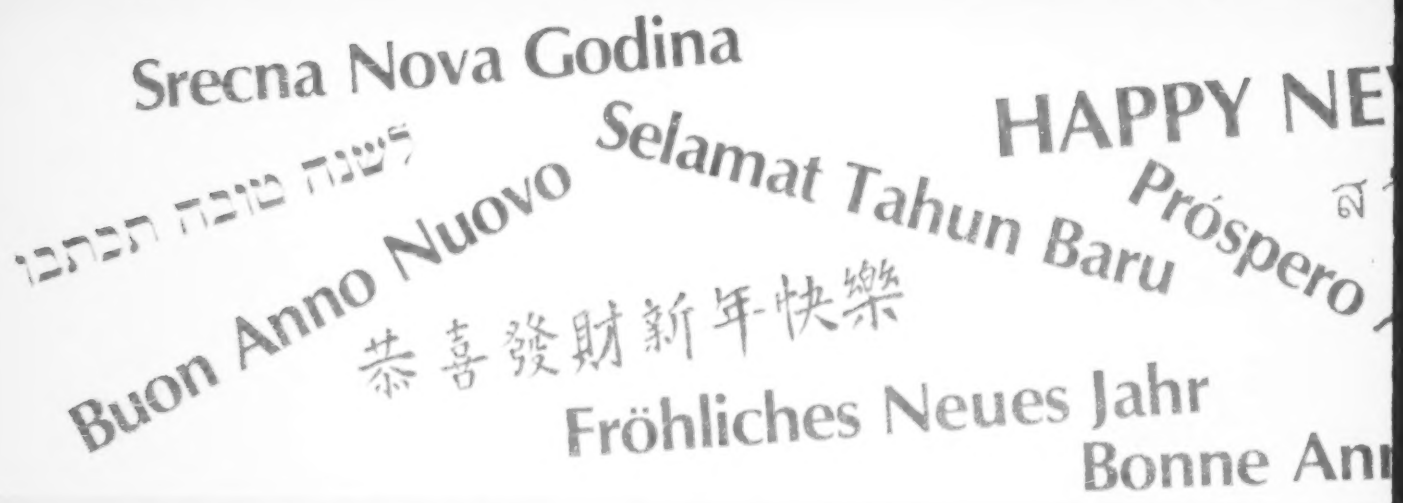


Selected Federal Reserve Data

(Averages of Daily Figures—Billions of Dollars)

	Week Ending 12/19/84	$ Change Since Week Ago	$ Change Since Year Ago
Reserve Bank Credit			
U.S. Gov'ts and Agencies Owned Outright & RPs	166.908	– .232	+ 4.493
Loans to Depository Inst.	3.161	– .140	+ 2.107
Float	1.287	– .502	– .368
Total Reserve Bank Credit	182.664	– .999	+ 9.238
Treasury Deposits with Federal Reserve Banks	3.468	+ .137	– .640
Currency in Circulation	181.392	+ .602	+11.183
Gov'ts held for Foreign Acct. by F.R. Banks (End-of-Week)	121.161	+ 2.311	+ 7.707
	12/19/84		
Member Bank Reserves:			
Total Reserves Held	39.483	+ .536	+ 2.917
Excess (Deficiency)	.389	– .501	– .256
Net Borrowed Reserves	.161	+ .574	– .152
		% Change Since Three Months Ago*	% Change Since Year Ago
Monetary Aggregates†			
M1 (12/10/84)	551.0	+ 2.0‡	+ 5.0‡
M2 (November '84)	2,346.4	+ 9.7	+ 7.5
M3 (November '84)	2,955.0	+ 11.3	+ 9.9
Domestic Nonfinancial Debt (3rd Q'84)	5,760.0	+ 11.7	+ 12.9

†Seasonally adjusted. * Seasonally adjusted annual rate. ‡ Four-week moving average.

New York Money Market

Offering Rates 12/21/84	3 Months	6 Months	1 Year
‡U.S. Treasury Bills	7.75%	8.00%	8.40%
* Federal Agencies	8.15	8.75	9.25
* Project Notes—Taxfree (46% Taxable Equivalent)	9.72	9.72	10.19
Negotiable Time CDs Manufacturers Hanover	Rates By Arrangement		
* Secondary Market—Prime	8.20	8.50	8.58

‡Finance Company Paper—Prime

5- 14 days	7.80%
15- 29 days	7.95
30- 59 days	8.10
60- 89 days	8.15
90-179 days	8.20
180-239 days	8.30
240-270 days	8.40

‡* Bankers' Acceptances

Jan.	8.25%
Feb.	8.25
Mar.	8.25
Apr.	8.30
May	8.40
Jun.	8.40

‡Industrial Paper—Prime

30- 89 days	7.90%
90-120 days	7.63

†Federal Funds Effective Rate 8.00%

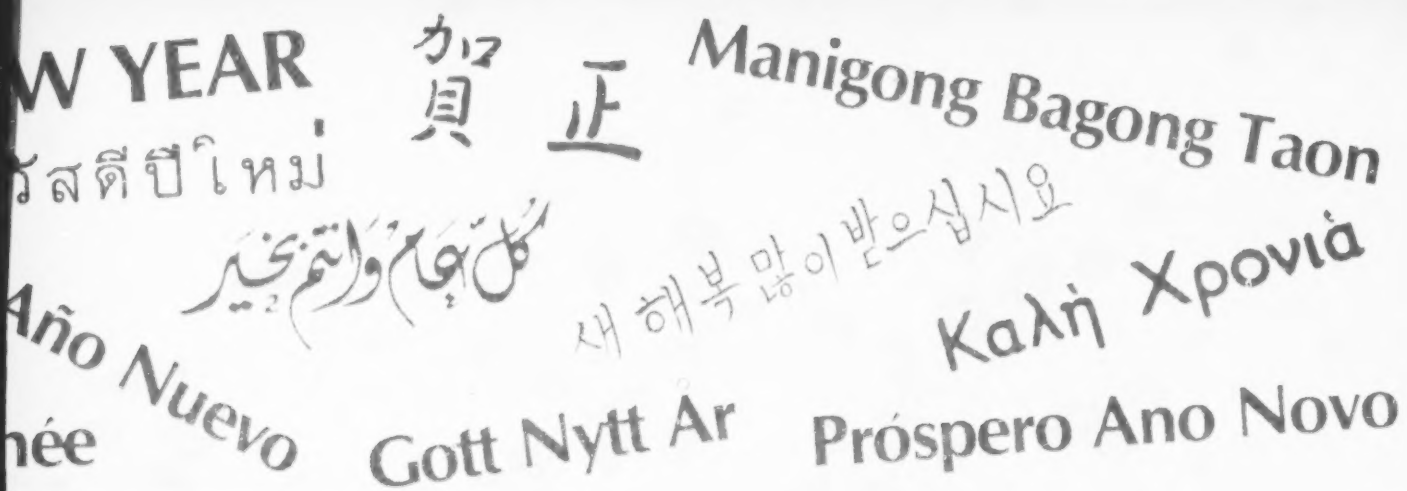
‡Discount basis. * Subject to availability. † Estimated.

Selected Business Indicators

(All Dollar Figures in Billions)

	Latest Period or End of Period		Previous Period	Year Ago Period
Gross National Product (Current Dollars)*	3rd Q'84	$ 3,695r	$ 3,645	$ 3,347
Gross National Product (1972 Dollars)*	3rd Q'84	$ 1,645r	$ 1,639	$ 1,550
Percent Change, Annual Rate	3rd Q'84	1.6r	7.1	6.8
Change in Consumer Prices*	Nov '84n	2.4%	4.8%	4.8%
Change in Producer Prices*	Nov '84	6.0%	– 2.4%	– 1.2%
Civilian Employment (Thousands of Persons)†	Nov '84	105,872	105,586	102,606
Unemployment as % of Civilian Labor Force†	Nov '84	7.2%	7.4%	8.4%
Personal Income*	Nov '84n	$ 3,100	$ 3,079r	$ 2,834
Leading Indicators Composite Index (1967=100)†	Oct '84	163.8	165.0	162.4
Industrial Production Index (1967=100) †	Nov '84	165.0	164.3	155.3
Net Change in Consumer Installment Credit †	Oct '84	$ 6.28	$ 4.28	$ 5.09
U.S. Merchandise Trade Balance †	Oct '84	–$ 9.18	–$ 12.65	–$ 8.43
Plant and Equipment Expenditures*	1st Q'85n	$337.85(a)	$321.40r(a)	$293.15
Private Housing Starts (Thousands of Units)*	Nov '84n	1,528	1,538r	1,730
New Construction Expenditures*	Oct '84	$ 315.8	$ 310.5	$ 267.9
Total Business Inventories †	Oct '84	$ 565.3	$ 560.6	$ 509.2
Total Business Sales †	Oct '84	$ 410.8	$ 410.5	$ 382.5

*Seasonally adjusted annual rate. †Seasonally adjusted. n-Newly reported figure. r-Revised. a-Anticipated.



Short Term Paper Outstanding
(Millions of Dollars)

	Latest Week	Change Since Week Ago	Change Since Year Ago
Time Deposits of $100,000 or more Weekly Reporting Banks			
Nationwide (12/5/84)	158,479	+ 257	+13,093
New York City (12/12/84)	34,227	– 118	+ 2,930
Commercial Paper (12/12/84)	238,439	+ 1,504	+54,671

Bank Loans
(Millions of Dollars)

Commercial and Industrial Loans

Weekly Reporting Large Commercial Banks	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (12/5/84)	248,913	+ 1,459	+ 28,579
New York City (12/12/84)	63,334	– 699	+ 5,221

Total Loans and Leases Gross Adjusted

	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (12/5/84)	646,998	+ 9,361	+ 100,834
New York City (12/12/84)	144,397	– 2,601	+ 21,408

Financial Markets

	Friday 12/21/84	Change Since Week Ago	Change Since Year Ago
U.S. Governments, Closing Yields:			
90-Day Bills†	8.00%	– .54	– 1.30
180-Day Bills†	8.45	– .41	– 1.30
Longest Bills†	9.05	– .36	– 1.05
Recent Issues:			
9⅞s 12/31/86 (When Issued)	9.90	NA	
11⅜s 9/30/88	10.65	– .36	
11⅝s 11/15/94	11.30	– .33	
11¾s 11/15/14	11.35	– .28	
Municipals:			
Bond Buyer–20 Bond Index* (12/20/84)	9.93%	– .07	+ .01
Blue List Total ($ Million)	$2,110	–$ 520	+ $ 574
30-Day Visible Supply ($ Million)	$1,095	–$1,059	– $1,074
Total	$3,205	–$1,579	– $ 500
Corporates:			
Moody's Aa Composite (12/20/84)	12.43%	– .16	– .41
30-Day Visible Supply ($ Million)	$ 500	–$1,210	– $1,395
Stocks:			
Dow-Jones Averages:			
Industrials	1,198.98	+ 23.07	– 51.53
Transportation	550.38	+ 15.39	– 36.88
Utilities	146.80	+ 2.21	+ 16.16
65 Stocks	483.72	+ 10.12	– 13.92
Standard and Poor's 500 Stocks	165.51	+ 2.82	+ 2.29
N.Y.S.E. Composite Index	95.56	+ 1.64	+ 1.39
N.Y.S.E. Avg. Daily Vol. for Week (000's)	118,696	+35,432	+ 31,454

* 46% Taxable equivalent 18.39%.

† Bond equivalent.

International Rates

EURODOLLAR DEPOSIT RATES (bid)	Friday 12/21/84	Week Ago
Overnight	8.06%	8.25%
1 month	8.31	8.81
3 month	8.63	9.00
6 month	9.19	9.50
1 year	9.88	10.19
EURODOLLAR BONDS		
Average Yield		
Medium Term (5 to 7 yrs.)	11.65%	11.75%
Long Term (7 to 15 yrs.)	11.80	11.85

FOREIGN EXCHANGE SPOT RATES

New York Opening (12/21/84)	U.S. $ Equivalent	Currency Per U.S. $
Belgium	.01599	62.55
Canada	.7590	1.3176
Denmark	.08953	11.1700
France	.1048	9.5450
Germany	.3207	3.1180
Italy	.0005212	1918.50
Japan	.004032	248.00
Mexico	.004464	224.00
Netherlands	.2841	3.5205
Switzerland	.3899	2.5650
U.K.	1.1695	.8551

Quality. Loyalty. Consistency.

Some things shouldn't change. And these three words express the abiding philosophy which sets Manufacturers Hanover apart from other global financial institutions. At Manufacturers Hanover a lot of good people make this philosophy live. They put quality into the services we offer, make loyalty to our customers paramount, and give consistency to our approach and performance. If you value character as well as size and scope, consider Manufacturers Hanover. The Financial Source—worldwide.

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